



YWCA OF SAN GABRIEL VALLEY
FINANCIAL STATEMENTS

June 30, 2008 and 2007

DATE RECEIVED:



AUDIT REVIEW #(s) 04498

Assigned To: Armstrong

Date Reviewed: 3/4/09

Reviewer's Initials: RA

Date Review(s) Completed: _____

YWCA OF SAN GABRIEL VALLEY

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4 -5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 16
Additional Information	
Schedule of Expenditures of Federal Awards	17 - 18
Senior Services Program, Schedule of Grant Awards And Functional Expenses	19
Domestic Violence Program, Schedule of Grant Awards And Functional Expenses	20 - 21
Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	22
Report on Compliance with Requirements Applicable to Each Major Program and on the Internal Control Over Compliance In Accordance with OMB Circular A-133	23 - 24
Schedule of Findings and Questioned Costs	25
Corrective Action Plan	26
Summary of Schedule of Prior Audit Findings	27

INDEPENDENT AUDITORS' REPORT

**Board of Directors
YWCA of San Gabriel Valley**

We have audited the accompanying statement of financial position of YWCA of San Gabriel Valley (Association), a nonprofit corporation, as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows, for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of YWCA of San Gabriel Valley, as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008, on our consideration of YWCA of San Gabriel Valley's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of YWCA of San Gabriel Valley taken as a whole. The accompanying supplementary information on pages 17 - 21 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**FORMAN, RICHTER & RUBIN
AN ACCOUNTANCY CORPORATION**

**December 29, 2008
Covina, California**

YWCA OF SAN GABRIEL VALLEY
STATEMENT OF FINANCIAL POSITION

June 30, 2008 and 2007

ASSETS

(AS RESTATED-SEE
NOTE 12)

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 149,155	\$ 112,095
Grants receivable	350,767	313,402
Other receivable	1,715	11,676
Prepaid expenses	<u>27,682</u>	<u>29,011</u>
Total current assets	529,319	466,184
PROPERTY AND EQUIPMENT (Notes 2, 4 and 5)	696,554	699,942
INVESTMENTS (Note 2, 3, 10 and 11)	<u>155,340</u>	<u>348,186</u>
Total assets	<u>\$ 1,381,213</u>	<u>\$ 1,514,312</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 198,985	\$ 142,909
Notes payable—current portion (Note 5)	301,138	300,075
Accrued salaries	98,105	90,626
Other accrued expenses (Note 1)	44,578	36,364
Grants received in advance (Note 4)	<u>79,371</u>	<u>108,795</u>
Total current liabilities	722,177	678,769
LONG-TERM LIABILITIES		
Notes payable, net of current portion (Note 5)	<u>67,897</u>	<u>63,263</u>
Total liabilities	<u>790,074</u>	<u>742,032</u>
COMMITMENTS (Note 6)		
NET ASSETS		
Unrestricted	418,981	585,122
Temporarily restricted	<u>172,158</u>	<u>187,158</u>
Total net assets	<u>591,139</u>	<u>772,280</u>
Total liabilities and net assets	<u>\$ 1,381,213</u>	<u>\$ 1,514,312</u>

The accompanying Notes to Financial Statements
are an integral part of this statement

YWCA OF SAN GABRIEL VALLEY
STATEMENT OF ACTIVITIES
For The Years Ended June 30, 2008 and 2007

	2008				2007 (Restated - See Note 12)			
UNRESTRICTED NET ASSETS	GENERAL	SENIOR SERVICES	DOMESTIC VIOLENCE	TOTAL	GENERAL	SENIOR SERVICES	DOMESTIC VIOLENCE	TOTAL
UNRESTRICTED SUPPORT AND REVENUE								
GOVERNMENT GRANTS	\$ -	\$ 1,601,677	\$ 782,300	\$ 2,384,067	\$ -	\$ 1,337,996	\$ 924,113	\$ 2,462,109
MATCHING CONTRIBUTIONS-GOVERNMENT	-	552,366	23,400	575,766	-	880,656	28,134	908,790
UNITED WAY GRANTS	23,413	-	2,856	26,269	48,022	-	-	48,022
MEMBERSHIPS	9,672	-	-	9,672	11,223	-	-	13,223
CLASSES AND OTHER PROGRAMS	32,130	-	-	32,130	71,582	-	-	71,582
CHILD CARE AND DAY CAMP	-	-	-	-	49,773	-	-	49,773
SENIOR SERVICES PROGRAMS	-	437,780	-	437,780	-	378,323	-	378,323
SPECIAL EVENTS AND PROGRAMS	182,739	-	-	182,739	138,655	-	-	138,655
CONTRIBUTIONS	23,996	3,500	146,928	174,424	40,930	1,492	67,271	109,693
INVESTMENT INCOME, NET	(10,439)	63	(7,265)	(17,641)	26,607	62	34,388	61,037
OTHER INCOME	462	-	3,710	4,172	-	1,657	3,862	5,519
	261,973	2,595,386	952,019	3,809,378	388,792	2,800,186	1,057,768	4,246,746
NET ASSETS RELEASED FROM RESTRICTIONS:								
SATISFACTION OF USAGE RESTRICTIONS	-	-	15,000	15,000	-	-	-	-
TOTAL UNRESTRICTED SUPPORT AND REVENUE	261,973	2,595,386	967,019	3,824,378	388,792	2,800,186	1,057,768	4,246,746
PROGRAM SERVICES EXPENSE								
CHILD CARE AND DAY CAMP	-	-	-	-	98,089	-	-	98,089
CLASSES AND OTHER PROGRAMS	-	-	-	-	106,351	-	-	106,351
SPECIAL EVENTS AND PROGRAMS	44,676	-	-	44,676	38,243	-	-	38,243
DOMESTIC VIOLENCE	-	-	1,003,609	1,003,609	-	-	1,011,324	1,011,324
SENIOR SERVICES	-	2,686,368	-	2,686,368	-	2,834,676	-	2,834,676
TOTAL PROGRAM SERVICES	44,676	2,686,368	1,003,609	3,734,653	242,683	2,834,676	1,011,324	4,088,683
SUPPORT SERVICES EXPENSE								
ADMINISTRATION	232,552	-	-	232,552	249,348	-	-	249,348
REGIONAL SUPPORT	23,314	-	-	23,314	21,488	-	-	23,488
TOTAL SUPPORT SERVICES	255,866	-	-	255,866	272,836	-	-	272,836
TOTAL EXPENSES	300,542	2,686,368	1,003,609	3,990,519	515,519	2,834,676	1,011,324	4,361,519
CHANGE IN UNRESTRICTED NET ASSETS	(38,569)	(90,982)	(36,590)	(166,141)	(126,727)	(34,490)	46,444	(114,773)
TEMPORARILY RESTRICTED NET ASSETS								
CONTRIBUTIONS - TEMPORARILY RESTRICTED	-	-	-	-	-	-	15,000	15,000
NET ASSETS RELEASED FROM RESTRICTIONS:								
SATISFACTION OF USAGE RESTRICTIONS	-	-	(15,000)	(15,000)	-	-	-	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	-	-	(15,000)	(15,000)	-	-	15,000	15,000
CHANGE IN NET ASSETS	(38,569)	(90,982)	(51,590)	(181,141)	(126,727)	(34,490)	61,444	(99,773)
NET ASSETS, BEGINNING OF YEAR (NOTE 12)	(466,966)	(69,000)	1,308,186	772,280	(367,557)	12,966	1,226,644	872,053
TRANSFERS	-	-	-	-	27,378	(47,476)	20,098	-
NET ASSETS, END OF YEAR	\$ (505,475)	\$ (159,982)	\$ 1,256,596	\$ 591,139	\$ (466,906)	\$ (69,000)	\$ 1,308,186	\$ 772,280

The accompanying Notes to Financial Statements are an integral part of this statement.

YWCA OF SAN GABRIEL VALLEY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2008

	PROGRAM SERVICES				SUPPORT SERVICES			
	Special Events & Programs	Domestic Violence	Senior Services	Total	Adminis- tration *	Regional Support	Total	Grand Total
Salaries	\$ -	\$ 541,038	\$ 692,333	\$ 1,233,371	\$ 105,551	-	\$ 105,551	\$ 1,338,922
Payroll taxes & employee benefits	-	92,265	113,053	205,318	13,341	-	13,341	218,659
Professional fees	-	25,716	66,587	92,303	33,819	-	33,819	126,122
Insurance	-	14,057	25,673	39,730	5,419	-	5,419	45,149
Telephone & postage	-	16,336	22,250	38,586	3,901	-	3,901	42,487
Supplies, equipment, printing & publications	-	28,531	70,875	99,406	8,628	-	8,628	108,034
Occupancy	-	84,111	554,539	638,650	20,049	-	20,049	658,699
Food & hygiene	-	139,923	1,067,143	1,207,066	-	-	-	1,207,066
Travel, transportation, conferences & meetings	44,676	13,899	44,542	103,117	1,115	-	1,115	104,232
Miscellaneous	-	14,950	7,478	22,428	3,409	23,314	26,723	49,151
Interest	-	14,748	-	14,748	9,217	-	9,217	23,965
Depreciation and amortization	44,676	985,574	2,664,473	3,694,723	204,449	23,314	227,763	3,922,486
Depreciation - Nonexpendable equipment	-	26,581	38,696	65,277	28,103	-	28,103	93,380
	-	(8,546)	(16,801)	(25,347)	-	-	-	(25,347)
Total functional expenses	\$ 44,676	\$ 1,003,609	\$ 2,686,368	\$ 3,734,653	\$ 232,552	\$ 23,314	\$ 255,866	\$ 3,990,519

* Note: Administration services include \$108,413 in fund development costs consisting of salaries and professional fees.

The accompanying Notes to Financial Statements are an integral part of this statement

YWCA OF SAN GABRIEL VALLEY
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2007
(Restated - see Note 12)

	PROGRAM SERVICES					SUPPORT SERVICES				
	Child Care & Day Camp	Classes & Other Programs	Special Events & Programs	Domestic Violence	Senior Services	Total	Adminis- tration *	Regional Support	Total	Grand Total
Salaries	\$ 50,568	\$ 55,513	\$ -	\$ 610,534	\$ 672,271	\$ 1,388,886	\$ 84,145	\$ -	\$ 84,145	\$ 1,473,031
Payroll taxes & employee benefits	13,785	10,378	-	115,803	151,108	291,074	39,186	-	39,186	330,260
Professional fees	2,442	19,370	-	25,721	137,914	185,447	74,736	-	74,736	260,183
Insurance	2,812	2,919	-	14,840	18,746	39,317	3,767	-	3,767	43,084
Telephone & postage	630	2,868	-	12,454	20,169	36,121	4,089	-	4,089	40,210
Supplies, equipment, printing & publications	976	4,509	-	22,880	108,859	137,224	11,112	-	11,112	148,336
Occupancy	5,985	9,182	-	96,638	573,038	684,843	1,803	-	1,803	686,646
Food & hygiene	-	-	-	44,191	916,426	960,617	-	-	-	960,617
Travel, transportation, conferences & meetings	-	153	38,243	9,828	203,697	251,921	1,633	-	1,633	253,554
Miscellaneous	16,480	1,459	-	14,812	10,556	43,307	4,590	23,488	28,078	71,385
Interest	-	-	-	19,204	-	19,204	8,876	-	8,876	28,080
Depreciation and amortization	93,678	106,351	38,243	986,905	2,812,784	4,037,961	233,937	23,488	257,425	4,295,386
	4,411	-	-	32,501	36,946	73,858	15,411	-	15,411	89,269
Depreciation - Nonexpendable equipment	-	-	-	(8,082)	(15,054)	(23,136)	-	-	-	(23,136)
Total functional expenses	\$ 98,089	\$ 106,351	\$ 38,243	\$ 1,011,324	\$ 2,834,876	\$ 4,088,693	\$ 249,348	\$ 23,488	\$ 272,836	\$ 4,361,519

* Note: Administration services include \$56,106 in fund development costs consisting of salaries and professional fees.

The accompanying Notes to Financial Statements
are an integral part of this statement

YWCA OF SAN GABRIEL VALLEY

STATEMENT OF CASH FLOWS

Years Ended June 30, 2008 and 2007

	<u>2008</u>	(AS RESTATED-SEE NOTE 12) <u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (181,141)	\$ (99,773)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	93,377	89,269
(Gain) loss from property disposal	(221)	16,441
Realized (gain) from investments	(45,313)	(3,807)
Unrealized (gain) loss from investments	75,848	(39,712)
Decrease in prepaid expenses	1,329	15,575
(Increase) decrease in grants and other receivables	(27,404)	115,909
Increase in accounts payable	56,076	5,867
Increase (decrease) in accrued salaries and other expenses	15,693	(31,472)
(Decrease) in grants received in advance	<u>(29,424)</u>	<u>(8,181)</u>
Net cash provided (used) by operating activities	<u>(41,180)</u>	<u>60,116</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(71,700)	(43,803)
Proceeds from sale of investments	175,000	30,000
Purchase of investments	(12,689)	(17,203)
Proceeds from sale of property	<u>12,705</u>	<u>10,000</u>
Net cash provided (used) by investing activities	<u>103,316</u>	<u>(21,006)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	<u>(25,076)</u>	<u>(27,844)</u>
Net increase in cash and cash equivalents	<u>37,060</u>	<u>11,266</u>
CASH AND CASH EQUIVALENTS—Beginning of year	<u>112,095</u>	<u>100,829</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 149,155</u>	<u>\$ 112,095</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the years for:

Interest	\$ 29,832	\$ 28,865
Income tax	-	-

Schedule of non-cash investing and financing activities:

Equipment acquired in exchange for capital lease	\$ 30,773	\$ -
---	-----------	------

The accompanying Notes to Financial Statements
are an integral part of this statement

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

1. Nature of the Association

The YWCA of San Gabriel Valley (Association) is a nonprofit organization exempt from federal and state income taxes under Section 501(C)(3) of the Internal Revenue Code; it is not classified as a private foundation.

The Association provides the community with various services including the following:

- Child care and child development
- Education for personal development
- Shelter and counseling for domestic violence victims – women and their children
- Meals and counseling for older persons
- Recreational and health promotion

The Association operates its domestic violence program under the name of WINGS Shelter and its older persons program under the name of Intervale Senior Services.

The YWCA of San Gabriel Valley is affiliated with the national and regional organizations of the Young Women's Christian Association of the U.S.A., and provides national and regional support through payment of a percentage of its functional expenses to the regional organization, with a maximum of \$30,000 in annual dues. As of June 30, 2008 and 2007, the Association owes \$44,578 and \$36,364, respectively, in dues payable to the national and regional organizations. The Association participates in various employee benefit programs offered by the national organization; see Note 9.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets--Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Association.

Temporarily restricted net assets--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

2. Summary of Significant Accounting Policies (continued)

Basis of presentation (continued)

Permanently restricted net assets--Net assets subject to donor-imposed stipulations that may be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investments for general or specific purposes.

Support and revenue

The Association receives substantially all of its grant revenue from federal, state and city agencies and recognizes revenue from its grant awards over the service period of the contracts and/or to the extent of expenses incurred. Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Association with the terms of the grants.

The Association records grant revenue as a refundable advance until it is expended for the purposes of the grant, at which time it is recognized as revenue. The balance in grant awards received in advance includes amounts that will be expended in the next fiscal year in accordance with the grant period and includes the net book value of nonexpendable property and equipment in which the funding agencies have a reversionary interest.

The balance of government grants awarded to the Association to be received and recognized over the service period in the subsequent fiscal year amounts to \$100,042 and \$232,396, respectively, at June 30, 2008 and 2007.

Membership dues, program service revenue, investment and other income are recognized as revenue in the period earned.

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off when deemed uncollectible. An allowance for doubtful accounts has not been established since management is of the opinion that all receivables at year end are fully collectible.

Contributions

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

2. Summary of significant accounting policies (continued)

Property and Equipment

Property and equipment are recorded at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Association follows the policy of capitalizing property and equipment purchases with extended useful lives and recording contributions of long-lived assets directly in property and equipment instead of recognizing the gift over the useful life of the asset. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of three to forty years.

The Association capitalizes all expenditures for property, furniture and equipment in excess of \$1,000.

Normal repair and maintenance expenses and equipment replacement costs are expensed as incurred.

Compensated Absences

Employees of the Association are entitled to paid vacation and paid sick days depending on job classification, length of service and other factors. Accrued vacation as of June 30, 2008 and 2007 totaled \$41,199 and \$29,427, respectively. Sick pay is recognized when actually paid to the employee, and is not accrued.

Functional Allocation of Expenses

The costs of providing the Association's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

2. Summary of Significant Accounting Policies (continued)

Investments

Investments include marketable securities with readily determinable fair values and are stated at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Concentration of credit risk

Financial instruments which potentially expose the Association to concentrations of credit risk and loss consist primarily of investments in mutual funds and equity securities totaling \$141,756 as of June 30, 2008.

Reclassifications

Certain reclassifications have been made to the prior year's amount in order to conform to the current year's presentation.

3. Fair Values of Financial Instruments

The Association estimates that the fair value of all financial instruments at June 30, 2008 and 2007 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments. The fair value of long-term liabilities is estimated to be equal to the carrying amounts of the notes.

The estimated fair values of the Association's financial instruments as of June 30, 2008, none of which are held for trading purposes, are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 149,155	\$ 149,155
Investments	155,340	155,340
Financial liabilities:		
Notes payable	369,035	369,035

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

4. Property and Equipment

Property and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 146,177	\$ 146,177
Building and improvements	871,449	871,449
Leasehold improvements	1,194	-
Vehicles	207,517	207,259
Furniture and equipment	<u>452,505</u>	<u>395,878</u>
Total Cost	1,678,842	1,620,763
Less: Accumulated depreciation and amortization	<u>1,010,496</u>	<u>920,821</u>
Net book value	<u>668,346</u>	<u>699,942</u>

Leased property consists of the following:

Office equipment	30,772	-
Accumulated amortization	<u>2,564</u>	<u>-</u>
Net value – leased property	<u>28,208</u>	<u>-</u>
Net fixed assets	<u>\$ 696,554</u>	<u>\$ 699,942</u>

Depreciation and amortization expense for the fiscal years ended June 30, 2008 and 2007 amounted to \$93,377 and \$89,269, respectively.

Property and equipment above includes \$72,255 and \$96,209 net book value as of June 30, 2008 and 2007, respectively, of certain equipment acquired with funds received from grant agencies; these agencies have a reversionary ownership interest in this equipment. The net book value of equipment with reversionary ownership interest is also included in grants received in advance.

Land, building and improvements are pledged as security against debt described in Note 5.

Certain leased property is pledged as security against capital leases described in Note 5.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

5. Notes Payable

Notes payable consists of the following:

	<u>2008</u>	<u>2007</u>
Low Income Housing Fund loan, secured by the shelter facility deed of trust, payable at \$1,875 monthly, including interest at 7.5%	\$ 61,808	\$ 80,323
Pacific Western National Bank \$300,000 line of credit which matures in April 2009 and bears interest at 7% as of June 30, 2008, subject to changes based on the Wall Street Journal Prime Rate. The note is secured by the Association's real property.	<u>279,318</u>	<u>283,015</u>
Total Note Obligations	341,126	363,338
Current portion	<u>296,249</u>	<u>300,075</u>
Long-term portion	<u>44,877</u>	<u>63,263</u>

Obligations under capital leases:

The Company leases phone equipment under a capital lease. At the expiration of the lease terms, the Company may exercise options to purchase the equipment.

Equipment loan, payable at \$684 monthly, including interest at 12%. The lease expires December 2012 and is secured by phone equipment.

	27,909	-
Current portion of capital lease	<u>4,889</u>	-
Non-Current Portion of Capital Lease Obligations	<u>23,020</u>	-
Total Current Portion of Notes Payable	<u>301,138</u>	<u>300,075</u>
Total Non-Current Portion of Notes Payable	<u>\$ 67,897</u>	<u>\$ 63,263</u>

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

5. Notes Payable (continued)

Rental commitments for non-cancelable capital leases are as follows:

Years Ending

<u>June 30,</u>	
2009	8,209
2010	8,209
2011	8,209
2012	8,209
2013	<u>4,104</u>
TOTAL	\$ 36,940
Less imputed interest	<u>(9,031)</u>
Present value of net Minimum lease payments	<u><u>\$ 27,909</u></u>

Scheduled repayments of contracts payable, assuming no changes in their terms for the next five years, are as follows:

<u>Fiscal year ending June 30,</u>	
2009	\$ 296,249
2010	19,812
2011	25,065
2012	-
2013	<u>-</u>
	<u><u>\$ 341,126</u></u>

Total interest expense, accrued, and paid for the fiscal years ended June 30, 2008 and 2007 was \$29,832 and \$28,865, respectively.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

6. Commitments and Contingencies

The Association entered into a five year lease effective January 1, 2006 for its Intervale Senior Services administrative offices. On March 1, 2008, this lease was modified in order to combine all administrative departments in one office. The modified lease extends through February 2013 with the monthly basic rent starting at \$7,572 with annual increases. The association is also responsible for 14% share of utilities and property tax expenses.

The lease agreement includes a five year option to renew with terms and conditions to be agreed upon 120 days prior to the lease expiration.

The Association has entered a five year lease effective February 1, 2005 for its Intervale Senior Services operating facilities; this agreement includes an option to extend the term for three additional one year periods under the same terms and conditions as the original lease. The agreement allows the Association to vacate the facilities with ninety days notice to the lessor.

Future minimum lease payments for the non-cancelable operating leases are as follows:

Fiscal year ending June 30,

2009	\$ 100,888
2010	105,335
2011	108,532
2012	116,104
2013	<u>80,768</u>
	<u>\$ 511,627</u>

Total rent expense for the above leases amounted to \$80,937 and \$74,644 for the years ended June 30, 2008 and 2007, respectively.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the gifts and their terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

7. Contributed Services and Materials

Because of the requirement of governmental grantor agencies, matching local funds and in-kind contributions are required on certain types of government funding. In-kind revenues consist of non-monetary contributions such as donated space, supplies and volunteer hours. In-kind revenues in the financial statements consisted of occupancy, supplies and equipment costs recorded and valued at \$576,824 and \$827,114, respectively.

A substantial number of volunteers have made contributions of their time to assist the YWCA of San Gabriel Valley in its programs. During the years ended June 30, 2008 and 2007, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Estimated value of contributed services at June 30, 2008 and 2007, which do not meet the financial statement recognition criteria is approximately \$323,682 and \$368,602, respectively.

8. Special Events and Programs

The Association operates several programs designed to raise funds for particular needs or to supplement grants. Some of these programs establish a particular program or service as recipient of proceeds raised. Others are general fund raising activities with proceeds designated by the board of directors to benefit a particular program.

General fund raising projects during the years ended June 30, 2008 and 2007 included Woman of Achievement and Celebrity Sports Classic. Proceeds were designated by the board of directors to benefit various programs.

9. Retirement Plan

The Association participates in a non-contributory defined benefit retirement plan administered by the national organization of the Young Women's Christian Association. Employees become fully vested after two years of regular employment. The Association contributed 5% for the fiscal years ending June 30, 2008 and 2007, respectively, while the Pension Fund matched 2% respectively, of the employee gross salaries. Retirement plan contribution expense remitted to the national organization for the fiscal years ending June 30, 2008 and 2007 was \$38,996 and \$62,095, respectively.

The retirement plan of the national organization includes numerous participating local associations; therefore, it is not practicable for the actuary to compute accumulated and projected benefit obligations for the YWCA.

YWCA OF SAN GABRIEL VALLEY
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007

10. Investments

Investments as of June 30, 2008 and 2007 are carried at their fair values and are summarized as follows:

	2008 Cost/ Donated Basis	2008 Fair Value	2007 Cost/ Donated Basis	2007 Fair Value
Unrestricted:				
Money market funds	\$ 1,796	\$ 1,796	\$ 3,762	\$ 3,762
Mutual funds	63,144	65,017	116,716	162,977
Equity securities	200	4,535	200	9,289
Total unrestricted investments	<u>65,140</u>	<u>71,348</u>	<u>120,678</u>	<u>176,028</u>
Temporarily restricted:				
Money Market funds	7,252	7,253	6,094	6,094
Mutual funds	<u>63,144</u>	<u>76,739</u>	<u>146,270</u>	<u>166,064</u>
Total temporary restricted investments	<u>70,396</u>	<u>83,992</u>	<u>152,364</u>	<u>172,158</u>
Total investments	<u>\$ 135,536</u>	<u>\$ 155,340</u>	<u>\$ 273,042</u>	<u>\$ 348,186</u>

The above investments include \$150,805 held in board designated fund accounts discussed in Note 11.

The following schedule summarizes the investment return and its classification in the statement of activities for the fiscal year ended June 30, 2008 and 2007:

	2008 Unrestricted	2007 Unrestricted
Interest and dividends	\$ 12,894	\$ 17,538
Realized gains	45,313	3,807
Unrealized gains (losses)	<u>(75,848)</u>	<u>39,712</u>
Total Investment Income	<u>\$ (17,641)</u>	<u>\$ 61,057</u>

11. Board Designated Funds

The Association's board of directors has established two board designated fund accounts to segregate and reserve funds for future financial requirements. These accounts were funded with restricted contributions received and with unrestricted net assets designated by the board of directors for its domestic violence program. The investment earnings from the restricted contributions are not donor-restricted and therefore, are recorded as a change in unrestricted net assets.

12. Prior Period Adjustment

Accrued vacation expense was not recorded. The June 30, 2007 account balances have been restated. The result to the June 30, 2007 financial statements is an increase to accrued salaries of \$29,427, a decrease to salary expense in the amount of \$21,761 and an opening balance unrestricted net asset decrease of \$51,188 for prior years.

YWCA OF SAN GABRIEL VALLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2008

<u>Federal Grantor/Passthrough</u> Federal Grantor/Program Title	<u>Federal CFDA Number</u>	<u>Expenditures</u>
• Department of Health and Human Services Passed through the State of California Department of Aging/Senior Services	93.045	\$ 1,258,233
• United States Department of Agriculture Passed through the State of California		
-Department of Aging/Senior Services	10.558	218,108
-Department of Education/Nutrition Services/Child & Adult Care Food Program	10.558	19,654
• Department of Health and Human Services Passed through the State of California Department of Health Services/Maternal and Child Health	93.994	221,329
• Department of Health and Human Services Passed through the State of California Department of Social Services/CALWORKS	93.591	202,701
• Department of Health and Human Services Passed through the State of California and County of Los Angeles Department of Community and Senior Services		
Community Services Block Grant Program	93.569	157,364
Domestic Violence Emergency Shelter Program	93.671	55,459
• Federal Emergency Management Agency -Passed through the State of California Depart- ment of Housing and Community Development/ Emergency Housing and Assistance Program	83.523	15,000
• Department of Homeland Security -Emergency Food and Shelter Program	97.024	22,477
-Passed through the State of California Office of Emergency Services	16.588	148,894
• Department of Housing and Urban Development -Passed through the State of California and Los Angeles County Area Housing Authority	14.870	<u>64,848</u>
Total federal expenditures		<u>\$ 2,384,067</u>

See Independent Auditors' Report

YWCA OF SAN GABRIEL VALLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2008

BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of YWCA of San Gabriel Valley, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statement.

YWCA OF SAN GABRIEL VALLEY
SENIOR SERVICES PROGRAM
SCHEDULE OF GRANT AWARDS AND FUNCTIONAL EXPENSES
For the years ended June 30, 2008 and 2007

GRANT CONTRACT NUMBER	2008					2007					TOTAL	
	NUTRITION USDA/AAA 4000	COMMUNITY SERVICES CSBG 8595/9596	CARE MANAGEMENT AAA 4019	SUPPORT SERVICES HOUSING AUTH	MEALS/CASE MANAGEMENT ADULT DAY CARE	NUTRITION USDA/AAA 4007	COMMUNITY SERVICES CSBG 8595	CARE MANAGEMENT AAA 4019	SUPPORT SERVICES HOUSING AUTH	MEALS/CASE MANAGEMENT ADULT DAY CARE		
GRANT AWARDS AND OTHER FUNDING SOURCES												
GOVERNMENT GRANTS	\$ 1,452,330	\$ 60,488	\$ 24,011	\$ 64,848	\$ -	\$ 1,601,677	\$ 1,413,095	\$ 79,480	\$ 41,491	\$ 3,930	\$ -	\$ 1,537,996
MATCHING CONTRIBUTIONS-GOVERNMENT	337,267	-	72,206	72,306	-	72,306	337,906	-	-	-	53,542	53,542
PROGRAM INCOME-CONTRIBUTIONS	417,960	15,000	18,000	441,343	104,136	441,343	797,114	-	10,000	-	43,628	381,534
IN KIND CONTRIBUTIONS-PERSONNEL & OTHER	-	-	-	-	-	480,067	-	-	-	-	-	827,114
TOTAL UNRESTRICTED SUPPORT AND REVENUE	2,216,597	75,488	42,011	64,848	176,442	2,595,386	2,548,115	79,480	71,491	3,930	97,170	2,800,186
PERSONNEL COSTS-IN KIND	274,363	-	-	-	-	274,363	299,060	-	2,200	-	-	301,260
TOTAL REVENUE - CASH & IN KIND	\$ 2,510,960	\$ 75,488	\$ 42,011	\$ 64,848	\$ 176,442	\$ 2,869,749	\$ 2,847,175	\$ 79,480	\$ 69,291	\$ 3,930	\$ 97,170	\$ 3,101,446
FUNCTIONAL EXPENSES												
SALARIES	\$ 510,920	\$ 44,044	\$ 16,501	\$ 32,842	\$ 59,017	\$ 692,313	\$ 524,851	\$ 64,201	\$ 26,678	\$ 1,437	\$ 53,104	\$ 672,271
PAYROLL TAXES & EMPLOYEE BENEFITS	88,260	7,010	3,081	4,910	9,180	110,533	120,423	13,372	5,309	120	1,884	151,108
PROFESSIONAL FEES	39,469	1,687	772	1,950	2,704	66,387	137,351	-	-	-	963	137,914
INSURANCE	23,666	1,108	454	890	2,007	25,673	21,066	-	-	-	12,450	18,746
TELEPHONE & POSTAGE	17,837	204	916	204	3,881	22,250	17,013	1,731	1,164	-	239	20,169
SUPPLIES/EQUIPMENT/PRINTING/PUBLICATIONS	62,081	1,208	916	2,075	5,831	70,875	103,302	517	3,266	-	1,764	108,859
OCCUPANCY	503,539	15,811	19,096	2,075	11,408	554,539	533,657	4,093	35,288	-	-	573,038
FOOD & HYGIENE	97,010	3,370	1,196	35	94,127	106,743	894,729	3,637	311	-	21,697	916,426
TRAVEL/TRANSPORTATION/MEETINGS	37,474	-	-	-	2,447	44,542	198,445	-	203	-	1,344	203,697
MISCELLANEOUS	615	-	-	-	6,861	7,478	5,020	-	-	-	5,311	10,556
DEPRECIATION EXPENSE	21,589	-	-	-	366	21,855	3	-	-	-	21,889	21,892
SUB-TOTAL FUNCTIONAL EXPENSES	2,333,475	75,488	42,011	41,537	181,847	2,686,368	2,555,992	87,591	72,331	1,557	117,305	2,834,676
PERSONNEL COSTS-IN KIND	274,363	-	-	-	-	274,363	299,060	-	2,200	-	-	301,260
TOTAL FUNCTIONAL EXPENSES - CASH & IN KIND	\$ 2,607,838	\$ 75,488	\$ 42,011	\$ 41,537	\$ 181,847	\$ 2,960,731	\$ 2,855,052	\$ 87,591	\$ 74,531	\$ 1,557	\$ 117,305	\$ 3,135,936

See Note 7.

YWCA OF SAN GABRIEL VALLEY
DOMESTIC VIOLENCE PROGRAM
SCHEDULE OF GRANT AWARDS AND FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

GRANT CONTRACT NUMBER	CALWORKS 48642-3	CSBG 35256	DV PRESLEY 50075	CACFP 19-2907	EFSP 26	EFSP 25	EHAP 04-1063	MCAH 05-45100	OES 4191219	MATCHING CONTRIBUTIONS	TOTAL
GRANT AWARDS & OTHER FUNDING SOURCES											
GOVERNMENT GRANTS											
MATCHING CONTRIBUTIONS-GOVERNMENT	\$ 202,701	\$ 96,876	\$ 55,459	\$ 19,654	\$ 12,586	\$ 9,891	\$ 15,000	\$ 221,329	\$ 148,894	\$ 23,400	\$ 782,390
PROGRAM INCOME/CONTRIBUTIONS										78,389	23,400
IN KIND CONTRIBUTIONS									14,244	82,521	96,765
TOTAL UNRESTRICTED SUPPORT AND REVENUE	202,701	96,876	55,459	19,654	12,586	9,891	15,000	221,329	163,138	184,310	980,944
PERSONNEL COSTS- IN KIND		20,496							28,822		49,318
TOTAL REVENUE - CASH & IN KIND	\$ 202,701	\$ 117,372	\$ 55,459	\$ 19,654	\$ 12,586	\$ 9,891	\$ 15,000	\$ 221,329	\$ 191,960	\$ 184,310	\$ 1,030,262
FUNCTIONAL EXPENSES											
SALARIES	\$ 132,393	\$ 59,381	\$ 42,337	\$ 16,711	\$ 12,586	\$ 9,891	\$ 7,424	\$ 138,983	\$ 96,146	\$ 54,689	\$ 541,038
PAYROLL TAXES & EMPLOYEE BENEFITS	23,456	9,294	7,685		1,360	930	872	24,614	15,798	8,236	92,265
PROFESSIONAL FEES	7,274	1,403						3,870	3,864	9,305	25,716
INSURANCE	5,253	3,658						1,939	2,509	698	14,057
TELEPHONE & POSTAGE	4,361	2,456						4,854	2,312	2,353	16,336
SUPPLIES,EQUIPMT,PRINTING,PUBLICATIONS	4,653	2,584	1,575					7,902	8,230	3,587	28,531
OCCUPANCY	20,042	12,967	3,856					11,600	8,782	18,530	84,111
FOOD & HYGIENE	4,570	5,116		16,711			3,001	6,761	19,596	82,773	139,923
TRAVEL, TRANSP,CONF,MEETINGS	699	17	6					5,856	5,901	667	13,899
MISCELLANEOUS					460	293		14,950		0	14,950
INTEREST EXPENSE										14,748	14,748
DEPRECIATION EXPENSE										18,035	18,035
SUB-TOTAL FUNCTIONAL EXPENSES	202,701	96,876	55,459	16,711	12,586	9,891	11,297	221,329	163,138	213,621	1,003,609
PERSONNEL COSTS- IN KIND		20,496							28,822		49,318
TOTAL FUNCTIONAL EXPENSES-CASH & IN KIND	\$ 202,701	\$ 117,372	\$ 55,459	\$ 16,711	\$ 12,586	\$ 9,891	\$ 11,297	\$ 221,329	\$ 191,960	\$ 213,621	\$ 1,052,927
* MORTGAGE PRINCIPAL PAID							\$ 3,703			\$ 14,812	\$ 18,515

See Note 7.

See Independent Auditor's Report

YWCA OF SAN GABRIEL VALLEY
DOMESTIC VIOLENCE PROGRAM
SCHEDULE OF GRANT AWARDS AND FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

GRANT CONTRACT NUMBER	CALWORKS 50,465	CSBG 2006 35256	CSBG 2007 35256	DV PRESLEY 50124	CACFP 19-2907	EFSP 24	ETSP 25	EHAP 05-2072	EHAP 04-1063	MCH 05-45100	OES 6211219	MATCHING CONTRIBUTIONS	TOTAL
GRANT AWARDS & OTHER FUNDING SOURCES													
GOVERNMENT GRANTS	\$ 239,250	\$ 91,818	\$ 46,433	\$ 65,000	\$ 3,902	\$ 11,886	\$ 13,508	\$ 20,057	\$ 27,143	\$ 9,088	\$ 174,699	\$ -	\$ 924,113
MATCHING CONTRIBUTIONS-GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	28,134	28,134
PROGRAM INCOME/CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	120,521	120,521
IN KIND CONTRIBUTIONS	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNRESTRICTED SUPPORT AND REVENUE	239,250	91,818	46,433	65,000	3,902	11,886	13,508	20,057	27,143	9,088	174,699	148,655	1,072,768
PERSONNEL COSTS- IN KIND	-	9,521	22,558	4,950	-	-	-	-	-	-	29,659	654	67,342
TOTAL REVENUE - CASH & IN KIND	\$ 239,250	\$ 101,339	\$ 68,991	\$ 69,950	\$ 3,902	\$ 11,886	\$ 13,508	\$ 20,057	\$ 27,143	\$ 9,088	\$ 204,358	\$ 149,309	\$ 1,140,110

FUNCTIONAL EXPENSES

SALARIES	\$ 167,191	\$ 60,153	\$ 30,795	\$ 44,798	\$ -	\$ -	\$ 5,156	\$ 10,160	\$ 8,553	\$ 3,252	\$ 108,818	\$ 30,035	\$ 610,534
PAYROLL TAXES & EMPLOYEE BENEFITS	31,784	8,317	7,450	8,918	-	-	815	1,606	-	550	19,994	5,800	115,803
PROFESSIONAL FEES	6,800	1,499	103	946	-	-	-	-	-	-	3,484	8,931	25,721
INSURANCE	3,752	3,845	652	1,500	-	-	-	-	-	-	2,500	1,091	14,840
TELEPHONE & POSTAGE	4,056	778	367	996	-	-	-	-	-	-	2,232	2,997	12,454
INTEREST EXPENSE	-	-	-	-	-	-	-	-	-	-	3,375	15,829	19,204
OCCUPANCY	20,600	5,223	4,304	5,842	-	-	-	-	-	-	10,811	5,841	96,638
SUPPLIES/EQUIPMENT PRINTING/PUBLICNS	863	5,552	544	1,000	1,860	3,072	3,776	2,534	11,819	2,729	4,692	1,424	22,880
DEPRECIATION EXPENSE	-	-	-	-	-	294	-	-	-	-	-	-	24,419
TRAVEL/TRANSP CONF MEETINGS	1,722	-	-	-	-	-	-	-	-	-	4,525	146	9,828
MISCELLANEOUS	2,482	1,930	223	1,000	-	-	-	-	-	-	1,995	(7,585)	14,812
FOOD & HYGIENE	-	4,500	1,973	-	4,668	6,298	3,801	5,757	-	-	12,272	4,280	44,191
SUB-TOTAL FUNCTIONAL EXPENSES	239,250	91,817	46,501	65,000	6,528	9,624	13,508	20,057	23,273	6,531	174,698	93,208	1,011,324
PERSONNEL COSTS- IN KIND	-	9,521	22,558	4,950	-	-	-	-	-	-	29,659	654	67,342
TOTAL FUNCTIONAL EXPENSES-CASH & IN KIND	\$ 239,250	\$ 101,338	\$ 69,059	\$ 69,950	\$ 6,528	\$ 9,624	\$ 13,508	\$ 20,057	\$ 23,273	\$ 6,531	\$ 204,357	\$ 93,862	\$ 1,078,666

* MORTGAGE PRINCIPAL PAID

\$ 2,705	\$ 2,557	\$ -	\$ 10,569	\$ 15,831
----------	----------	------	-----------	-----------

See Note 7.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors
YWCA of San Gabriel Valley**

We have audited the financial statements of YWCA of San Gabriel Valley (Association), a nonprofit corporation, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving internal control over financial reporting, which we have reported to the Association's management in a separate letter dated December 29, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities. This report is not intended for and should not be used by anyone other than these specified parties.



**FORMAN, RICHTER & RUBIN
AN ACCOUNTANCY CORPORATION**

**December 29, 2008
Covina, California**

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Directors
YWCA of San Gabriel Valley**

Compliance

We have audited the compliance of YWCA of San Gabriel Valley (Association), a nonprofit corporation, with the types of compliance requirements described in the "U.S. Office of Management and Budget" (OMB) Circular A-133, "Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2008. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain a reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Association's compliance with those requirements.

In our opinion, the Association complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Association is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities. This report is not intended for and should not be used by anyone other than these specified parties.



**FORMAN, RICHTER & RUBIN
AN ACCOUNTANCY CORPORATION**

**December 29, 2008
Covina, California**

YWCA OF SAN GABRIEL VALLEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2008

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of YWCA of San Gabriel Valley.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of YWCA of San Gabriel Valley, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award program for YWCA of San Gabriel Valley expresses an unqualified opinion.
6. Audit findings, if any, relative to the major federal award programs for YWCA of San Gabriel Valley are reported in this schedule.
7. The programs tested include: Major program - DHHS – Senior Services (CFDA No.93.045), and non-major program - DHHS – CALWORKS (CFDA No. 93.591).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. YWCA of San Gabriel Valley was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and questioned costs – Major Federal Award Program Audit

None

YWCA OF SAN GABRIEL VALLEY

CORRECTIVE ACTION PLAN

June 30, 2008

As there were no audit findings or questioned costs for the year ended June 30, 2008, a corrective action plan is not required.

See Independent Auditors' Report

YWCA OF SAN GABRIEL VALLEY
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2008

There were no prior year findings.

See Independent Auditors' Report